

BEFORE THE IDAHO BOARD OF TAX APPEALS

STEVEN AND LINDA SWARTLEY,)	
)	
Appellants,)	APPEAL NO. 15-A-1170
)	
v.)	FINAL DECISION
)	AND ORDER
BONNER COUNTY,)	
)	
Respondent.)	
)	
)	
)	

RESIDENTIAL PROPERTY APPEAL

This appeal is taken from a decision of the Bonner County Board of Equalization modifying the protest of valuation for taxing purposes of property described by Parcel No. RP059670010080A. The appeal concerns the 2015 tax year.

This matter came on for hearing October 28, 2015 in Sandpoint, Idaho before Board Member David Kinghorn. Appellants Steven and Linda Swartley were self-represented. Al Ribeiro represented Respondent.

Board Members David Kinghorn, Linda Pike and Leland Heinrich participated in this decision.

The issue on appeal concerns the market value of an improved residential property.

The decision of the Bonner County Board of Equalization is affirmed.

FINDINGS OF FACT

The original assessed land value was \$764,914, and the combined value of the improvements was \$234,810, totaling \$999,724. The Bonner County Board of Equalization (BOE) reduced the total value to \$897,810. Appellants agree with the value of the improvements, however, contend the correct land value is \$650,000, or a total value of \$884,810.

The subject property is a .94 acre residential parcel located on the east side of Priest Lake in Coolin, Idaho. The lot enjoys 168 front feet on the lake and is improved with a residence, some docks, and various outbuildings.

Prior to 2014, Appellants leased the subject lot from the Idaho Department of Lands, which is a somewhat common arrangement around the lake. Generally, lessees are allowed to improve the leased lots. In August 2014, the State held an auction involving some of the leased lots, including subject. Appellants purchased the subject lot for \$650,000.

Subject was originally assessed a total of \$999,724. Following an appeal, the BOE reduced subject's total value. Though the BOE's decision letter did not explain or otherwise detail which portions of subject's assessment were reduced, Respondent testified the reduction intended was to apply to the raw land value. Respondent further explained subject's raw land value was reduced to \$650,000, to which \$13,000 was added to account for the value attributable to the onsite improvements. Respondent remarked \$13,000 was a uniform rate applied to all parcels in the county with onsite improvements. Appellants noted subject's land purchase price included all the onsite improvements. Therefore, Appellants argued the \$13,000 should not have been added.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value, or as applicable exempt status. This Board, giving full opportunity for all arguments and having considered all testimony and

documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-205 requires taxable property be assessed at market value annually on January 1; January 1, 2015 in this case. Market value is defined in Idaho Code § 63-201, as,

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Market value is estimated according to recognized appraisal methods and techniques. There are three (3) primary methods for determining market value: the cost approach, the income approach, and the sales comparison approach. *Merris v. Ada County*, 100 Idaho 59, 63, 593 P.2d 394, 398 (1979).

The central issue in this case is whether the BOE erred in setting subject’s total value. The BOE’s decision letter simply states the total value determined by the assessor was changed to \$897,810. The rationale for the decision was not provided, nor did the decision letter identify which portions of subject’s assessment were reduced. In other words, this Board is unable to determine the BOE’s intent with regard to subject’s onsite improvements, as well as the allocation of the total value. Appellants contended subject’s land value should match the \$650,000 purchase price because the price included the onsite improvements. While the Board agrees subject was purchased with onsite improvements, we do not agree the BOE was bound to set subject’s value exactly at the

purchase price. The BOE has discretion in determining values and in this case elected to set subject's total value at \$897,810. This in itself is not an erroneous result.

Idaho Code § 63-511 requires Appellants to prove error in subject's assessed value by a preponderance of the evidence. The burden of proof was not satisfied in this instance. The BOE was not obligated to set subject's value at the purchase price, so the focus shifts to whether the total value determined by the BOE was correct. Other than subject's purchase price, Appellants offered no market data for the Board's consideration. As a result, the Board finds insufficient cause to disturb the value determined by the BOE.

Based on the above, the decision of the Bonner County Board of Equalization is affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bonner County Board of Equalization concerning the subject parcel be, and the same hereby is, AFFIRMED.

DATED this 9th day of February, 2016.